

Message Text

PAGE 01 NATO 06474 261506Z

50

ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 DODE-00 USIE-00 SSO-00 NSCE-00

INRE-00 CIAE-00 PM-04 INR-07 L-03 ACDA-05 NSAE-00

PA-01 SS-15 PRS-01 SP-02 TRSE-00 SAJ-01 OIC-02 CEA-01

CIEP-01 EB-07 NSC-05 OMB-01 STR-04 /073 W

----- 041496

O 261345Z NOV 75

FM USMISSION NATO

TO SECSTATE WASHDC IMMEDIATE 4865

C O N F I D E N T I A L USNATO 6474

E.O. 11652: GDS

TAGS: EEWT, NATO, ECON, EFIN, ETRD, XH, COMECON

SUBJECT: ECONADS: RECENT ECONOMIC DEVELOPMENTS IN EASTERN
EUROPE AND INTRA-COMECON RELATIONS

REF: A. STATE 279167

B. USNATO 6310

C. ED/EC/75/71(REVISED)

1. WE APPRECIATE PROMPT AND HELPFUL COMMENTS IN REF(A)
AND HAVE PASSED THEM TO BILLY. BASED ON INFORMAL DISCUSSION
AT NOVEMBER 20 ECONADS MEETING, A NUMBER OF THE POINTS HAD
ALREADY BEEN COVERED IN A REVISED INTRODUCTORY SECTION ISSUED
AS CORRIGENDUM 2 TO REF (C). CONSENSUS AT THE MEETING WAS
THAT PARA 15 WENT A BIT TOO FAR (EVEN TAKING INTO ACCOUNT
THAT THERE HAD BEEN A MISTAKE IN THE TRANSLATION AND THE
WORD "COORDINATE" (CF, PARA 2, REF (A)) SHOULD ACTUALLY HAVE
BEEN "CONSULT"). WE QUOTE THE NEW, AND MUCH LESS ACTION -
ORIENTED, PARA 15 BELOW.

2. THE POLITICAL COMMITTEE HAS DECIDED TO CONSIDER THE
ECONOMIC COMMITTEE PAPER AT ITS MEETING ON DECEMBER 16,
AND HENCE ACCOUNT WILL BE TAKEN OF THE SUGGESTED CHANGES
IN REF (A) IN THE FINAL VERSION OF THE STUDY. THE
CONFIDENTIAL

PAGE 02 NATO 06474 261506Z

ECONADS WILL REVIEW THE PAPER AGAIN AT THE NOVEMBER 27
(AND, IF NECESSARY, DECEMBER) MEETING SO WE WOULD
APPRECIATE FURTHER GUIDANCE ON THE NEW PARA 15 AS SOON
AS POSSIBLE.

3. THE POINTS MADE BY REF (A) ON PARAS 1, 3, 5, AND 10 ARE, WE BELIEVE ADEQUATELY DEALT WITH IN THE CORRIGENDUM. AS TO PARA 11, THE TERM "MILLIARD" APPEARS TO BE USED INTERCHANGABLY WITH "BILLION" IN NATO-PRODUCED DOCUMENTATION. UNLESS THE DEPARTMENT DESIRES OTHERWISE, WE WOULD PREFER NOT TO PRESS THE POINT.

4. BEGIN TEXT, REVISED PARA 15:

15. IN THE ALLIANCE

THE ALLIANCE MUST CLOSELY FOLLOW THE RECENT DEVELOPMENTS IN THE COMECON AND THE MOVE TOWARDS GREATER INTEGRATION BETWEEN THE USSR AND ITS PARTNERS IN THAT ORGANIZATION. IT SHOULD REMAIN READY TO HELP THOSE EAST EUROPEAN COUNTRIES WHICH MIGHT FIND THEMSELVES UP AGAINST SERIOUS DIFFICULTIES, WHILE BEARING IN MIND THE AIMS AND BASIC INTERESTS OF THE COUNTRIES OF THE ALLIANCE:

(I) THE POLITICAL AND MILITARY COHESION OF THE USSR AND THE EAST EUROPEAN COUNTRIES, AS REPRESENTED BY THE WARSAW PACT AND BY THE BILATERAL AGREEMENTS BINDING EACH OF THOSE COUNTRIES TO THE SOVIET UNION, WOULD BE ENHANCED BY THE TRANSFORMATION OF WHAT IS STILL THE HETEROGENEOUS GROUPING IN THE COMECON INTO A MORE FULLY INTEGRATED ECONOMIC BLOC THE DIFFERENT COMPONENTS OF WHICH WOULD GRAVITATE ROUND A MAIN "DEVELOPMENT AXIS" FORMED BY THE USSR;

(II) IF A MOVE OF THIS KIND WERE TO TAKE SHAPE DURING THE PERIOD OF THE FIVE-YEAR PLAN 1976-1980, THE COMECON WOULD TEND TO BECOME A PRIVILEGED INSTRUMENT OF NEGOTIATION, ACTING ON BEHALF OF ITS MEMBER COUNTRIES BUT WORKING IN FACT UNDER SOVIET DIRECTION; THIS DEVELOPMENT WOULD MAKE IT MORE DIFFICULT FOR SEVERAL EAST EUROPEAN COUNTRIES TO PURSUE THEIR, RATHER DISCREET, ATTEMPTS AT A RAPPROCHEMENT WITH THE COMMON MARKET; THESE SAME COUNTRIES COULD ALSO FIND IT MORE DIFFICULT TO BUILD UP THEIR
CONFIDENTIAL

PAGE 03 NATO 06474 261506Z

BILATERAL AND ECONOMIC TRADE RELATIONS WITH COUNTRIES OF THE NON-COMMUNIST WORLD, AND IN PARTICULAR WITH THOSE OF THE ALLIANCE;

(III) IN ANY CASE, ANY WEAKENING IN THE ECONOMIC POSITION OF THE EAST EUROPEAN COUNTRIES GIVES THEM LESS ROOM FOR MANOEUVRE; THE ALLIED COUNTRIES MIGHT, THEREFORE, CONSIDER IT OPPORTUNE TO LOOK FOR WAYS AND MEANS OF LESSENING THEIR DIFFICULTIES AND HELPING THEM TO PRESERVE GREATER INDEPENDENCE OF THE USSR; THE MEANS AVAILABLE TO THE ALLIED COUNTRIES FOR THIS PURPOSE ARE INCREASED TRADE, MORE AGREEMENTS ON INDUSTRIAL CO-OPERATION, EXPORT CREDITS (WITHIN THE LIMITS LAID DOWN BY

THE CREDIT-WORTHINESS OF THE VARIOUS
BENEFICIARIES) AND THE PROMOTION OF JOINT
ENTERPRISES IN THE EAST;
IN IMPLEMENTING SUCH POLICIES, THE ALLIED
COUNTRIES SHOULD NOT, HOWEVER, LOSE SIGHT OF
THEIR OWN INTERESTS AND OF THE NEED TO ABIDE
BY EXISTING TRADE AGREEMENTS, ROME TREATY
RULES (FOR THE EEC COUNTRIES) OR MULTILATERAL
COMMITMENTS CONCERNING THE GRANTING OF
FINANCIAL ASSISTANCE TO THE EAST;
(IV) EFFORTS IN FAVOUR OF CERTAIN EAST EUROPEAN
COUNTRIES COULD HOWEVER BE TO THE ADVANTAGE OF
THE USSR INASMUCH AS THE LATTER IS ABLE TO USE
COMECON MACHINERY TO DRAW ON ITS ALLIES'
RESOURCES FOR THE HARNESSING OF ITS OWN NATURAL
RESOURCES IN SIBERIA (SEE PARA 11 ABOVE);
SUCH EFFORTS COULD THEREFORE INDIRECTLY PROMOTE
FULLER INTEGRATION BETWEEN THE SOVIET UNION AND
ITS PARTNERS; THIS POSSIBILITY NEEDS TO BE KEPT
IN MIND IN ANY FUTURE EXAMINATION OF TRENDS IN
INTRA-COMECON ECONOMIC RELATIONS AND IN RELATIONS
BETWEEN THE ALLIES AND THE WARSAW PACT COUNTRIES.
END TEXT.

5. ACTION REQUESTED: GUIDANCE ON REVISED PARA
15, PREFERABLY IN TIME FOR NOVEMBER 27 ECONADS
MEETING.BRUCE

CONFIDENTIAL

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 18 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 26 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975NATO06474
Document Source: ADS
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: 11652 GDS
Errors: n/a
Film Number: n/a
From: NATO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751189/abbrznlc.tel
Line Count: 138
Locator: TEXT ON-LINE
Office: n/a
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A. STATE 279167 B. USNATO 6310 C. ED/EC/75/71(REVISED)
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 01 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 MAY 2003 by ShawDG>; APPROVED <17 OCT 2003 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ECONADS: RECENT ECONOMIC DEVELOPMENTS IN EASTERN EUROPE AND INTRA-COMECON RELATIONS
TAGS: EEWT, NATO, ECON, EFIN, ETRD, XH, COMECON
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006